

MEMORIAL
OF THE
MERCHANTS AND AGRICULTURISTS,
OF
FREDERICKSBURG AND ITS VICINITY,
VIRGINIA.

DECEMBER 13, 1820.

Referred to the Committee on Commerce.

WASHINGTON:

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1820.

MEMORIAL.

To the Senate and House of Representatives of the United States, in Congress assembled:

The memorial of the merchants, agriculturists, and others, of the town of Fredericksburg, and the adjacent country,

RESPECTFULLY SHEWETH:

That, being convinced that the protecting duty system has been, and would continue to be, pernicious to the United States, your memorialists respectfully submit to the consideration of Congress the following observations in relation to it.

Whether a freedom of exchanges or commercial restrictions will most advance the prosperity of nations; whether an erroneous policy by one nation requires an erroneous policy by another; whether economy or avarice suggests the idea of transferring capital from many occupations to one; whether justice decides that a portion of the labor of the poor ought to be appropriated by laws to the use of the rich; whether the limited powers over persons and property, delegated to the federal government, embrace the internal power of regulating the interests of manufacturers and agriculturists, and whether such a construction of the federal constitution would not include an internal power over all occupations, and subvert all the restrictions designed to establish a division of powers between the federal and state governments; are questions too extensive for the limits of a memorial, but sufficiently important to be suggested to the wisdom of Congress.

The present tariff was modelled by the mingled considerations of raising a revenue and encouraging manufactures. The revenue it produces goes into the public treasury, and the bounties it bestows into the pockets of capitalist manufacturers. Either as public revenue or private bounties, it is a tax upon the national ability. The Congress which imposed the tax undoubtedly estimated this ability; but, since it was imposed, one half of the national ability to pay taxes has been destroyed by the doubled value of money, and a reduction to the same amount in the value of products and property. Therefore, the burden of taxation has been doubled by circumstances with-

out the agency of legislation, and if one half the duties were taken off, it would require the profits of as much capital to pay the other half, as sufficed to pay the whole when the duties were inflicted. One effect of this diminution in the ability to pay, must be a diminution of revenue; because, if the whole duty is continued, it will compel the payers to retrench their consumptions; and, the value of the bounties bestowed upon manufacturers being doubled by the doubled value of money, they would, under the present tariff, receive a pecuniary encouragement worth twice as much as that which was originally bestowed. If, therefore, one half of the duties imposed by the existing tariff were taken off, the other half would constitute the same real burden upon the nation, and the same real bounty to manufacturers, intended to be established by the representatives of the people.

To this eventual augmentation of taxation, without the concurrence of Congress, the public distress is owing in a great degree; and the question is, whether the evils inflicted by unforeseen circumstances ought to be alleviated or increased by the representatives of the United States. In fact, whether the bounty to manufacturers ought to be quadrupled by law, because it has been doubled without law.

The protecting duty system, in its existing degree, has been already felt by the people, and by the treasury. By diminishing the importation of commodities it has already chilled commerce, and reduced the prices of our native productions. Commodities are an universal currency; their plenty or scarcity will, therefore, have the same influence upon prices, as the plenty or scarcity of money. An enhancement of home commodities by the abundance of foreign commodities or currency brought to purchase them, is both a reimbursement for the consumption of these foreign commodities, and also furnishes a fund for revenue; whereas the expulsion of this currency diminishes the price of home commodities, deprives the people of many enjoyments arising from consumption, and lessens the means for the payment of taxes.

The enjoyments of consumption are the food of industry; diminish them and it flags; leave them free and it is invigorated; and this invigoration is a resource so ample for meeting the expense of an increased consumption, that every nation possessing it will have the advantage, in commercial competitions, over those which do not. In struggles for wealth, industry will gain the victory; and a relaxation of its sinews is like carrying on a war without ammunition.

True economy consists in a free employment of their own capital by occupations, as the best mode of making it productive; false economy, in legislative coercions of capital into other channels, because it cannot be employed with the same skill in new as in habitual occupations. Drive a merchant to the plough, or a ploughman to the counting-house, and the unskillfulness of both will cause mutual sloth, vexation, and misfortune; and, by diminishing a resource to meet the expense of consumption contained in the knowledge and skill of habitual occupations, diminish also the public prosperity.

Legal dislocations of capital, besides producing the losses occasioned by driving individuals from one occupation to another, are, moreover, universally the mode resorted to for imposing burdens on a great majority of nations, to foster some exclusive interest. They constitute an eleemosynary system for forcing the poor to give alms to the rich; and in every form are the elements by which free governments are made oppressive.

The mercantile, naval, and agricultural occupations, are all discouraged by restrictions upon commerce, and must dwindle or flourish in conjunction. The agricultural supplies the basis of commerce; the mercantile imports the commodities which increase the value of those for exportation, and both supply the freights and the wages which nurture the naval occupation, rear seamen, and provide the means for maritime defence. In the united prosperity of these occupations consists national prosperity itself, and their free efforts are an ample equivalent for the expense of consumption.

Re-exportations ought not to be forgotten. They extend commerce, increase seamen and shipping, and produce a mercantile profit. Single towns have often acquired opulence by being depots of foreign manufacturers, and the more prosperous this branch of commerce is, the more the capital of every community is augmented. Mercantile intelligence, profiting by commercial fluctuations and circumstances, frequently derives profit from circuitous exchanges, and sometimes can undersell the fabricators themselves. It is insufficient to observe, that prohibitory or protecting duties will not destroy this branch of our commerce, because they are not paid on re-exported commodities. The fact is, that no considerable surplus of these commodities are ever imported except from the inducement of a double market; that they are invited by a freedom of trade, and repelled by local restrictions; and that the freer the port, the more extensive and profitable this branch of commerce will become.

A free commerce is like a free government. Either, isolated amidst commercial restrictions, or political oppressions, flourishes beyond its neighbours by forbearing to imitate their errors. The Hanse-towns, at one period, almost absorbed the trade and wealth of Europe, because commerce was every where else subjected to prohibitions and restrictions.

From all these sources of national wealth, the protecting duty system makes deductions which fall chiefly upon the poor, because the coarse and necessary articles of domestic manufacture are consumed principally by them. But, it is said, that the tax thus inflicted upon the poor of all other occupations goes to the relief of poor manufacturers. The fact would not be a justification of the policy; but, even that is denied. The price of labor is regulated by circumstances which bounties cannot control. If a bounty was given to seamen, navigating mercantile vessels, their employers would compute the bounty as a portion of the wages, and continue to regulate them by a comparison with the price of labor in other occupations. In like manner a bounty to the workmen, or navigators of manufactories,

must settle in the pockets of their employers, even if it was paid to the workmen themselves; but, when it is attached to the goods sold by their employers, the chance of the workmen to receive any portion of it is so very feeble, that no symptom of such an effect has ever been observed in England. And thus the protecting duty system imposes a tax upon the poor of all other occupations, which will be received by the rich of the manufacturing occupation.

It has been supposed that, in a home trade, between manufacturers and agriculturists, two capitals are retained, whereas one is exported by the purchase of foreign manufactures; but the truth of this idea is also denied. No capital is lost by the purchase of foreign manufactures; it is only exchanged, and both parties may profit by the exchange. Without exchanges consumable capital can never be increased; but it must be diminished, for the same reasons that an individual, who should only use what he fabricates, would possess less consumable capital than if he avails himself of beneficial exchanges. Exchanges consist of consumable articles. If consumption destroys what we receive, it destroys also what we pay. No permanent capital is produced either by commerce or manufactures, except by causing an improvement of land and buildings. Neither commerce nor manufacturing can create and embalm a capital against consumption. Wealth in consumable capital is constituted by the plenty of commodities; poverty, by their scarcity. Both merchants and capitalists offer to supply the commodity with consumable capital. Which is best, a small annual consumable capital, or a large one? The large one can feed all our wants, encourage industry in all its branches, enhance all our commodities, and spare annually a surplus to meet the expenses of government. The small consumable capital can feed but few of our wants, discourages industry in all its branches but one, depreciates all our commodities, and can spare nothing for government. By supposing that the little consumable capital could utterly exclude the great one, and contemplating the protecting duty policy in its utmost success, exactly as we have felt it occasionally in the cases of wars and embargoes, we may calculate its gradations. A large consumable capital is so essentially connected with national wealth, that governments, wherever it exists, may afford to be extravagant; but, wherever the small one only exists, which manufacturers without commerce can produce, they must be frugal. The difference lies between making a mercantile profit by foreign exchanges, and making no such profit. A frugal government, united with a free commerce, by leaving to the nation that portion of consumable capital, which oppressive governments take from it, to pamper exclusive privileges, would probably pursue the most effectual policy for advancing the wealth, comfort, and happiness, of the people. A great annual consumable capital is so universally agreed to be among the good things of this world, that it is the very thing which all exclusive interests are in pursuit of. The protecting duty system proposes to deprive the community of a great mass of this species of wealth, the only kind really valuable to man; and to give it, in return, a sup-

ply of the same species, of an inferior amount, saddled with a tax for the benefit of a few rich men, and attended with a necessity of resorting to some new mode of taxation for the support of government. It has been fairly tried, by a gradual progress, for thirty years; and, having increased public expenses, exhausted the treasury in time of peace, contributed to a ruinous reduction in the prices of our commodities, and caused, in no small degree, the general distress, another dose of the drug, which has produced such consummations, is proposed. Might it not be wiser to give a short trial to the rival policy, by repealing the present tariff, imposing duties exclusively with an eye to revenue, and re-establishing the freedom of commerce, than to persevere any longer? If one half the duties were taken off, it is probable that the revenue would not be diminished, as consumable capital might be doubled, and an increase of value, by an increase of currency, brought to purchase our commodities, might recover and establish the fact, that the greater are our comforts and enjoyments, the easier we can pay our taxes.

We think it a question between the nourishment of a monopoly by a tax to enrich the rich, and the nourishment of all useful occupations by equal laws; in which a very few individuals occupy one interest, and all the rest of the community, with the government itself, another; and, therefore, we respectfully submit these remarks to the wisdom of Congress, with a conviction that the subject will receive the attention which its importance requires, and that the distresses, under which we are labouring, will not be aggravated. And your memorialists, as in duty bound, will ever pray.

